



## **Roundtable and Workshop on Constituency Development Funds**

Commonwealth Parliamentary Association and SUNY/CID  
Kingston, Jamaica, 7-9 June 2011

SUNY/CID provided the expert consultant services to a workshop on Constituency Development Funds (CDFs) organized by the Commonwealth Parliamentary Association (CPA) from 7-9 June 2011 in the Wyndham Kingston Hotel. SUNY/CID also held a pre-workshop roundtable with its academic consultants on 6 June. The workshop was co-hosted by the Parliament of Jamaica. CPA provided conference services, arranged the hotel and workshop/roundtable rooms, and organized the participation and travel of MPs from selected commonwealth countries. The Jamaica Parliament hosted a reception for participants and arranged a tour for participants at the end of the conference.<sup>1</sup>

Constituency development fund (CDF) is the generic name for a policy tool that dedicates public money to benefit specific political subdivisions through allocations and/or spending decisions influenced by their representatives in the national parliament. CDFs give members of parliament (MPs) the capacity to shape policy and service delivery in their constituencies and thereby add to their set of political resources to win re-election.

The goal of the workshop was to investigate the operations of Constituency Development Funds (CDFs) to determine the efficiency of service delivery in constituencies, to assess the extent to which such policymaking contributes to effective administration, and how best to enhance the accountability and transparency of these funds. It followed from a workshop held during the CPA's 56<sup>th</sup> Annual Conference in Nairobi, Kenya, in September 2010. Participants aimed to identify good practices and ways in which officials have addressed externalities and inefficiencies in implementation of CDFs, and concluded with the drafting of principles and guidelines that provide a normative basis for the operations of these funds. The principles will be received and noted by the CPA Executive Committee and put forward to the Association's General Assembly at the annual Commonwealth Parliamentary Conference. This year's annual conference will take place on 21-28 July 2011. The Principles and Guidelines will also be published in booklet form and promoted through the Association's communication networks.

This summary of the workshop is in three parts: the pre-workshop roundtable, the workshop, and next steps for the SUNY/CID's project.

---

<sup>1</sup> See: <http://www.cpahq.org/cpahq/mem/default.aspx> and [http://www.cpahq.org/CPAHQ/Mem/Meetings/Jamaica\\_2011.aspx](http://www.cpahq.org/CPAHQ/Mem/Meetings/Jamaica_2011.aspx) and <http://www.jis.gov.jm/news/hl.s1/27948> The agendas for the SUNY/CID Roundtable and CPA workshop and Principles and Guidelines for Constituency Development Funds are attached to this report.

## **SUNY/CID Roundtable: Wyndham Kingston Hotel, 6 July 9:30 a.m. – 3:30 p.m.**

The one-day roundtable was designed for the SUNY team members to present individual research to each other informally, to arrive at some consensus concerning the development of CDFs as policy tools in developing countries, and to develop common thinking in advance of the meeting with members of parliament (MPs) from the CPA and the adoption of principles.

- Mark Baskin presented a preliminary empirical categorization of CDFs in the 17 governments that SUNY has been exploring. This research measures the formal policy environments for CDF operations according to degree of institutionalization, amount of MP involvement and level of accountability of CDFs. The SUNY team is currently adding systematic research on CDF size per capita and per capita in constituencies, as well.
- Joel Barkan presented his preliminary research taken, in part, from the African Legislatures Project, which places the emergence of CDFs as one element in the internal evolution of parliaments in developing countries. He began with the puzzle that amidst the resistance from donors and good governance NGOs, the number of CDFs has grown considerably over the past decade, and that they are very popular with both politicians and publics. He argued that CDFs are “created not merely as another technocratic exercise to support rural development, but to address the institutional challenges facing MPs.” He then drew attention to trade-offs between time spent on law-making, oversight and constituency service, as well as incentives.
- Horace Bartilow’s presentation drew attention to the ineffective antecedents to CDFs in Jamaica, to the manner in which CDFs are confronting informal distributive schemes driven by organized crime, and to the safeguards and monitoring that are the hallmarks of excellent cooperation between the Office of Prime Minister and MPs in the operations of the program.
- Harry Blair’s survey of India’s Member of Parliament Local Area Development Scheme (MPLADS) showed that the annual allocation to MPLADS was recently doubled and that it is part of an electoral political cycle. He described its operations and surveyed a series of critiques of the policy, and concluded that it enjoys popular support, and has been approved by the Supreme Court.
- Nelson Kasfir described the Ugandan “CDF in name only” that constitutes a slush fund created by the president as a way of assisting MPs defray the burdensome expenses of constituency service more than for local development and for which there is no reporting or mechanisms of accountability. This raised the question of why MPs use it for development at all.
- David Ndi reported that the Kenyan CDF is much more successful and popular than previous efforts to create decentralized funds to stimulate local development. As in

Jamaica, MPs have no access to cash and can influence the type of investment, but that existing social capital in communities is what makes for successful CDF projects. He added that, over time, MPs receive decreasing amounts of credit for the successful employment of the fund.

The roundtable achieved several areas of consensus on the nature of CDFs comparatively, on the nature of incentives facing MPs, and on the role of CDFs in public discussions of the policy process that emerged from the discussion.

First, each CDF reflects a specific context that includes the institutional (in Kenya, “traditional,” such as the harambee and “modern,” such as the Local Area Transfer Funds) antecedents, the source of initiative (executive or MP), the degree of institutionalization of the CDF, the exact role of the MP in administering the fund, the size of the fund per capita, the size of districts, the degree of institutionalization of the parliament, and the like. The roundtable’s survey of cases demonstrated clearly that each CDF emerges from unique social, economic and political circumstances and display specific characteristics in their operations.

Second, effective and institutionalized CDFs – those with more formal steps in the process of project selection, implementation and oversight – demonstrate in their operations good cooperation between the MPs, local government and central agencies and different types of civil society organizations (CSOs). Institutionalized CDFs do not provide the MPs with direct access to cash, but can give to MPs significant authority in managing CDF operations, in selecting project committees for CDFs, or in actually identifying potential projects.

Third, effective CDFs do not necessarily observe the strict separation of powers between: legislative and executive, government and opposition parties, central and local levels of administration, or government and civil society. However, in institutionalized CDFs, such as in Kenya, India and Jamaica, a healthy mix of cooperation and competition across government sectors provides “consumers of capital for service delivery” with a menu of choice among different sources of financing for local services and needs. CDFs provide an additional type of financing for projects in constituencies alongside those financed by executive agencies, and local and regional governments. Further, effective CDFs also demonstrate higher degrees of transparency and accountability. In some systems (e.g., Kenya), civil society has been very active in overseeing the operations of CDFs, while in other systems (e.g., Jamaica), there are multiple formal administrative forms of oversight of CDF implementation, and civil society plays a larger role in implementation of projects.

Fourth, MPs face tradeoffs among their roles in law making, oversight and constituency service. MPs who spend less time on constituency service to devote more effort to law-making and oversight risk electoral defeat – especially in electoral systems with single-member districts, large portions of poor voters and weak political parties. In such emerging parliaments, MPs have clear interests in giving constituency service a high priority. This trade-off may be a legacy of delayed democratization and institutional development of legislatures in governments where MPs played a minor role in legislation

and oversight and were highly dependent on the executive for resources intended for constituency service.

Against this background, CDFs appear to represent one element of a more “democratic” solution to the political dilemma facing MPs in emerging systems – together with the institutional strengthening of parliaments and increasing salaries for MPs, among other things. At their best, CDFs advance democratization and political integration by decentralizing a portion of political and development initiatives from the executive to the legislature to make policy making more responsive. In principle, CDFs can reflect a more open and participatory policy making process than policy making that is concentrated in the executive. MPs may or may not benefit electorally from CDFs, but well-institutionalized CDFs can provide MPs with the capacity to respond directly to needs for service delivery in their own constituencies in a manner that builds public participation.

Fifth, CSOs and “yellow” media raise red herrings about CDFs by explicitly stoking public fears that all “politics” necessarily involves corruption, that administrative-technocratic schemes function most effectively, and that politicians are more interested in power and advancement than in development in their constituencies. But research in Kenya, Jamaica and India indicate that CDFs emerged, in part, out of the failure of technocratic administration to provide adequate services in health, education, roads, community centers, safety and the like. Further, CDFs appear to be popular with government officials and citizens, alike.

To be sure, there is ample room for legitimate criticism of CDFs. Some governments establish CDFs as political slush funds and do not build in good practices in project selection, transparency, oversight and accountability. And in those governments where CDFs are relatively complex and institutionalized, there are often legitimate questions of how effectively they function, how equitably they distribute capital, how efficiently specific projects are selected and implemented, how effective is the planning and coordination between CDFs and other branches of government and administration, and the like. But CDFs do not differ from most other government programs that display inefficiencies and externalities in their implementation.

It is also the case that some advocacy CSOs are relatively balanced in their treatment of CDFs by setting up report cards for performance and by comparing better and worse CDFs, and by publishing guides to best practices and social audits. However, it appears to be the case that, in both Jamaica and Kenya, ideological opposition to CDFs appears to rest more on assumptions and loaded terms like “pork barrel” than on evidence of willful malfeasance and corruption. These sensationalistic critiques of CDFs display a clear preference for technocratic schemes run by administrators who have no direct accountability for their performance and reject distributive policy making that brings in political accountability of officials to publics.

Sixth, principles and guides to operations can assist in making CDFs more broadly acceptable to a range of audiences – in a clear articulation of good governance principles and practices to CDFs. There are four potential audiences for such principles:

1. Governments with effectively functioning CDFs, for which such principles will be “preaching to the choir.”
2. Governments with ineffective CDFs, who face the explicitly political choice to take steps to de-concentrate genuine authority to make decisions on the allocation of scarce resources exclusively from the executive.
3. Governments considering adopting CDFs.
4. The donor and international NGO communities that continue to prefer to work with executives as the authoritative arm of government.

Seventh, the diversity in types of CDFs suggests that there may be no “one size fits all” set of specific proposed activities or norms. Consequently, any set of principles that emerges from this exercise will broadly reflect the good governance norms and values of major donors and multi-lateral institutions. This employment of accepted international norms can help to legitimize CDFs as one of many policy tools to be employed in increasingly open societies.

SUNY/CID’s academic roundtable arrived at some common perspectives that emerged from the diverse set of cases on issues of local development, representation, legislative development, the capacity for good practice to travel, and possibilities of rigorous analysis that could look at the relationship between perceptions of corruption, degree of institutionalization of CDFs, levels of accountability and the like.

### **CPA Workshop on CDFs, Wyndham Kingston Hotel, 7-9 July**

The workshop opened with an extended discussion of the nature of CDF operations and policy making and concluded with the adoption of principles and guidelines for CDFs. The underlying assumption of this discussion was that CDFs represent a legitimate policy tool that enables MPs to contribute to local service and development initiatives. Whereas MPs were open to ways in which policy making on CDFs could become more responsive to diverse needs in constituencies and more accountable to multiple constituencies, they all reported real needs for such politically-determined constituency service.

MPs pointed out how CDFs have helped to diminish their heavy dependence on the executive for development initiatives in their own constituencies and for constituency service more generally. “We have no choice to respond to our constituents when they visit from the provinces....the constituents depend on us and we depend on them in the election.” They cited a wide range of projects, for example, building classrooms in schools, providing scholarships for students, financing funerals of constituents, road construction, street lighting in villages and urban areas, building wings and clinics in hospitals, and emergency relief and response to natural disaster. CDFs also assist in filling holes created

by the absence of a consistently rule-bound administrative environment: “In our part of the world, people build houses....first, then we have to provide them with gas, electricity and roads. That is the biggest problem of the constituencies and people come to the MPs.”

It became clear that CDFs differ considerably across systems that are equally institutionalized when measured according to the number of steps in the process of project selection, implementation and oversight. Each government has a unique system of ensuring that impoverished areas receive more funding than developed areas. Each government also has a unique set of practices regarding the employment of CDF funds to address natural calamities. There are great differences in: the capacity to mix CDF funds with donor funds, the capacity to carry unused funds from one year to the next, methods of disbursing funds for projects, and method of oversight and monitoring, to name a few. MPs took these differences in stride amidst their common support for a means to improve the delivery of services in their constituencies.

Project selection also differs cross-nationally. In India, the MP recommends projects to district authorities who implement these works by following established procedures concerning state governments. On the other hand, the selection of projects in Kenya and Jamaica involve mobilizing groups from the community in identifying needs, deciding on the type of projects, issuing tenders, and selecting contractors or implementers. In short, decision making on CDFs in India and Pakistan rests on a set of relationships among government administrators in different parts of government, while decision making in Jamaica and Kenya explicitly elicits direct citizen involvement. In Kenya, India, Pakistan and Jamaica, MPs play a significant role in helping to select project, but no role in implementation of the project – as projects are managed by CDF committees (Kenya) and/or implemented by appropriate administrative agencies in government.

There are significant differences of scale – in the size of constituencies, the size of funds and the types of projects that can be supported – that reflect the relative size of governments as diverse as Jamaica, India, Pakistan and Kenya. There were also differences concerning projects and implementation partners. Religious communities are deeply involved in implementing CDF financed projects in Jamaica, while participants from India and Pakistan supported a firm separation of church and state in the implementation of CDFs.

Workshop participants uniformly advocated transparency in policy making of CDFs and a well-designed system of oversight and accountability that would unearth instances of genuine corruption and dispel the accusations of corruption in CDF operations: “every citizen has rights to request information on how funding is used and how it is going.” Among those active in CDF policy, “We try to be as transparent as possible without tying the hand of parliament. The funds are allocated to implementing agencies of the government. They have to account for how those funds are spent. They open a separate account for the CDF. We have been very rigid in how we have set up the fund.” The auditors general and contractors general provide internal oversight on the employment of funds. In addition, MPs explicitly discussed their political accountability to the electorate: “The police chief is not accountable to the people, but I am obliged to meet them.”

In sum, the workshop's discussion revealed great diversity in how funds are allocated, and how projects are selected, implemented, and overseen. However, individuals deeply involved in CDF policy invoked common underlying principles of effective governance. On the other hand, politicians share a common desire to claim credit for serving constituents with improved services and governance. The MPs made it clear both that their constituents expect them to provide personal and public services at home – from assisting in paying for funerals, organizing a scholarship program for gifted students, building community centers, or augmenting public safety in villages. And if politicians are motivated by the desires to serve and incentives for re-election, constituents turn to MPs as another source of financing for local development and, in some cases, “the bankers of last resort.” Politics matter.

Following this discussion, the participants carefully reviewed the “Principles and Guidelines for Constituency Development Funds” drafted by SUNY/CID in advance of the workshop. The final draft is attached. The initial draft evolved to indicate that:

- CDFs are an increasingly popular policy tool with politicians and publics in emerging democracies especially over the past decade and they enable MPs to play a role in development in constituencies.
- The CPA recognizes that CDFs should take steps to eliminate opportunities for corruption and be part of comprehensive development efforts. Therefore, the principles highlight the importance of transparency, cooperation among different parts of government and society, the significance of public learning and community development.
- The principles are organized under the following themes: Responsiveness, Transparency, Administration and Management, Accountability and Oversight, Monitoring and Evaluation.

As noted above, the principles will be reviewed by the CPA Executive Committee and considered for adoption by the CPA General Assembly at the annual Commonwealth Parliamentary Conference that takes place from 21-28 July 2011.

### **Next Steps.**

SUNY/CID's project will proceed on several tracks:

1. **Good Practices.** One solution to the tremendous variation among national CDFs is to complete a series of papers that address policy and administrative dimensions of CDFs that are rooted in good governance principles that underlie SUNY/CID legislative strengthening projects: e.g., on civil society and public participation, CDFs and administrative decentralization, systems of accountability for CDFs and other programs of politically-based public finance, and issues attending the

implementation of CDFs. These papers will be prepared as working papers and for publication.

2. **Tool Boxes?** SUNY/CID will build on its comparative research and case studies and explore practical approaches that cannot be adequately treated in an academic collection. It is not clear that a “tool box” is an appropriate response to a policy area in which “one size definitely does not fit all.” In view of the myriad differences in process, size and amount of funding, it will be difficult to apply templates designed for one type of system for another. Consequently, it will continue to develop a set of SOPs and tools that are sufficiently general and that emerge from the principles.
3. **Publication.** Finally, a draft of an academic collection on CDFs will be completed by the end of 2011. It will be aimed at two audiences: development practitioners and academics.
  - a. For academics, it would address the puzzle of emerging CDFs as part of broader patterns of democratization and decentralization, and explore how the conventional model of liberal internationalism has evolved in ways not foreseen by conventional approaches to development. The proliferation of CDFs in Westminster, first-past-the post electoral systems demonstrates the increasing resilience of emerging governments to address problems of service delivery, to strengthen certain types of public participation and to forge consensus in otherwise contentious political systems.
  - b. For development professionals, it will outline practical approaches to developing norms and good practices in this increasingly popular institution that has emerged outside of donor agendas. It will highlight ways in which CDFs can elicit coordination among different sectors of government, in which different governments practice transparency and accountability, and in which development assistance can strengthen the resilience of emerging institutions.
  - c. Such a publication can include the following elements:
    - i. Introduction: Why CDFs and Distributive Policy?
      1. Representation and the demand for different types of constituency service
      2. Comparative Survey of CDFs: Institutionalization and Accountability
    - ii. Case Studies
      1. Earmarks and distributive policy making in the United States



2. Kenya – CDFs as a reflection of constitutional change and de-concentration of power from the executive
  3. Jamaica – CDFs as an instrument of bi-partisan, executive-parliamentary and development
  4. India – Reaffirming MPLADS in an electoral growth cycle in Indian politics.
  5. Uganda – CDFs in name only – the symbolic action of executive-driven, small funds
- iii. Conclusion – CDFs, Political Integration, and Evolving Norms of Democratic Practice

## **Participants in CPA Workshop on Constituency Development Funds:**

1. Mark Baskin, SUNY/CID
2. Gaby Carrascal, SUNY/CID
3. Simone Grant, SUNY/CID
4. Paul Gumper, SUNY/CID
5. Joel Barkan, Center for Strategic and International Studies
6. Horace Bartilow, University of Kentucky
7. Harry Blair, Yale University
8. Nelson Kasfir, Dartmouth College
9. David Ndi, Consultant, Kenya
10. Arlene Bussette, Assistant Director of Programs, CPA
11. Hon. Shahine Robinson, Jamaica MP and Minister of State in OPM responsible for CDFS
12. Hon. Laurence Broderick, Jamaica, MP and Minister of Energy and Mining
13. Hon. Noel Arscott, Jamaica, MP
14. Hon. Qamar Zaman Kaira, Pakistan, MP
15. Hon. Amarnath Pradhan, India, MP
16. Pauline Scott-Blair, Jamaica, Asst. Director, CDF Programme Management Unit
17. Moveta Munroe, Jamaica, Director CDF Programme Management Unit
18. Heather E. Cooke, Jamaica, Clerk to the Houses of Parliament
19. Hon. Dr. St. Aubyn Bartlett, Jamaica, MP and Member of CDF Committee
20. Dr. the Hon. Oswald Harding, Jamaica, President of the Senate
21. Hon. Delroy Chuck, Jamaica, MP and Speaker of the House
22. Hon. Everaldo Warmington, Jamaica, MP and Chair of the CDF Committee
23. Hon. Natalie Neita-Headley, Jamaica, MP and Member of CDF Committee
24. Hon. Colin Fagan, Jamaica, MP and Member of CDF Committee
25. Other Staff from the Parliament of Jamaica